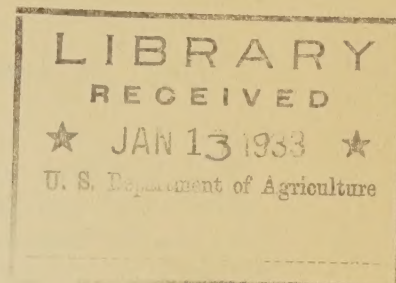


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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

Preliminary draft
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MEASURES TAKEN BY FOREIGN COUNTRIES TO
RELIEVE AGRICULTURAL INDEBTEDNESS

Compiled by A. M. Hannay, and Lillian Crans
Under the Direction of Mary G. Lacy, Librarian
Bureau of Agricultural Economics

Washington, D. C.
November 15, 1932

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FOREWORD

Almost all of the relief measures referred to in this bibliography fall within the scope of the present depression. No attempt has been made to make a historical survey of the subject, but a few references of earlier date have been found and included. It was not thought expedient to include the measures taken by the Australian provinces, for example, to reduce farm rents, or the reduction in rates advocated in Switzerland in 1928 and carried out in Great Britain in 1896 and at other times. Nor has reference been made to the century-long land struggle in Ireland during the course of which the British Government purchased land in Ireland and resold it to tenants, advancing them part or all of the purchase price, to be repaid at varying rates of interest over a period of years. In addition the Land Act of 1923 cancelled arrears of rent due before 1920 and reduced those due between 1920 and 1923 by 25%. Those interested in the Irish land question are referred to the following books: The Struggle for Land in Ireland, 1800-1923, by John E. Pomfret and The Land of Ireland, by D. Coghlan; also to an article by S. J. Brandenburg entitled Progress of Land Transfers in the Irish Free State in the Journal of Land and Public Utility Economics, v.8, no.3, August, 1932, p.275-286.

In addition to the Australian laws listed, references were found to a Mortgagors' Relief Act, 1931 of South Australia and a Mortgagees' Rights Restriction Act, August 19, 1931 of Western Australia, the text of neither of which was available.

An extensive relief program has been instigated by the German Government more especially for the benefit of farmers in the Eastern provinces and particularly in East Prussia. The latter, except for a short coast line on the Baltic Sea, is entirely surrounded by Lithuanian and Polish territory and the Free City of Danzig, and its trade with the rest of Germany must pass through the so-called "Polish Corridor." Various relief measures have been adopted and have failed for lack of funds. In 1930 a relief bill was discussed in the Reichstag but failed to pass. However, a section making provision for the funding of short-time debts was included in an emergency decree of July 26, 1930 which embodied a number of general relief measures. The area to which the relief applies was extended a month later, and an Eastern Relief Office (Oststelle) was established to handle debt-funding

operations. This office and the Ministry of Agriculture collaborated in the elaboration of a relief scheme, and a bill embodying their decisions was introduced, and became law on March 31, 1931. Two main reasons have been given for the alleged failure of the scheme, namely, the inadequacy of the funds made available for carrying it on, and its administration by both the Reich and the Prussian Government which led to friction caused by a divergence of policy. A decree of November 5, 1931 remedied this by placing the work of administration in the hands of a Federal Commissioner. A decree of November 17, 1931 provided measures amounting to a debt moratorium pending the cultivation and harvesting of the next year's crop. This decree roused a storm of protest from creditors, cooperatives, and stock exchanges. But it enabled a large number of farmers to halt or forestall foreclosure proceedings. A recent important step in the relief legislation is embodied in the law of February 6, 1932, the provisions of which are outlined. For a brief account of measures taken to relieve farm indebtedness in Germany by means of debt conversion in 1908 and in 1928 the reader is referred to pages 29 and 45 of a typewritten report on Rural Credit in Germany prepared by the office of the Agricultural Attaché, Berlin, and dated September 1, 1931. (Files F. F. 600, Berlin, Finance.)

The bibliography is arranged chronologically under the country.

ARGENTINE REPUBLIC

Luedtke, Charles L. Farm mortgages and agricultural indebtedness in Argentina. Proposals for refunding and adjustment, etc. Buenos Aires, Oct. 27, 1932, 6p. and tables. Typewritten. (Agricultural Rpt. no. 166. Files F. F. 4559, Buenos Aires.)

Attention is called to proposals made by agricultural organizations for the relief of the farmer. These include moratorium and land revaluation and farm debts and farm chattel mortgage loans. Other proposals, more general in character, are the stabilization of the foreign exchange value of the Argentine peso below its present par value, an increase in the circulating medium by the issue of paper currency, and the declaration of a moratorium on the Argentine foreign debt. But "the Argentine Government, through the Minister of Finance, has taken a firm position against all proposals of this sort... When it comes to the economic problems of the farmer, there appears to be a distinct feeling in many quarters that the farmer's situation can only be solved by leaving him to work out his own salvation. This seems to be particularly true of the problem having to do with the readjustment of the mortgage debt."

AUSTRALIA

New South Wales

New South Wales. Moratorium Act. No. 48, 1930. An act to make provision for a moratorium; to restrict temporarily certain of the rights possessed

by mortgagees, vendors, and others; and for purposes connected therewith. [Assented to, 19th December, 1930.]

Grants power to the court to extend the time limit for mortgage repayment for three years from the date of this law under certain specified conditions. This law was amended in 1931.

Queensland

Queensland. Mortgagors' Relief Act. An act to confer jurisdiction to grant relief to certain mortgagors in certain cases. [Assented to 2nd September, 1931.]

An act to grant relief to mortgagors on account of the prevailing economic conditions by conferring on the court jurisdiction to postpone the exercise of powers of sale by certain mortgagees under certain existing mortgages securing fixed liabilities in certain cases.

South Australia

South Australia. An act to facilitate the adjustment of agricultural debts. No. 1939. [Assented to, December 12th, 1929.]

Provides for the appointment of a Director of Debt Adjustment to confer with and advise any farmer or his creditor and to attempt to bring about an amicable settlement of the farmer's indebtedness without having recourse to legal proceedings.

Tasmania

Tasmania. Mortgage Interest Reduction Act, 1931. No. 8. An act to provide for the reduction of the rates of interest payable in respect of certain fixed liabilities, and to enable tribunals to make exemptions and modifications in certain cases. [3 August, 1931.]

Interest payable in respect of certain liabilities is reduced by 4/6 in the pound. The mortgagee's power of foreclosure or other remedy to secure payment of principal, if all interest has been paid, is restricted for 12 months after the passing of the Act, except by order of the court.

Western Australia

Western Australia. Farmers' Debts Adjustment Act, 1930. No. 49. An act for the adjustment of the debts of farmers and other persons engaged in rural pursuits, and for other relative purposes. [Assented to, 30th December, 1930.]

Provides for the appointment of a director who may appoint a receiver of the rents, profits, and produce of a farmer during which time no action can be brought against the farmer for default of payment of mortgage or default under an agreement of sale and purchase of land. This act to continue in force until the end of March, 1932.

BULGARIA

Bulgaria - Law for general relief of debtors. (In Commerce Reports, no. 39, Sept. 24, 1932, p. 433.)

"Primarily to prevent the public sale of real property of the debtor in Bulgaria for only a fraction of its true value, to satisfy relatively small debts, any debtor under process may request a stay of execution as late as one day prior to the date fixed for the public sale of his property, if he pays to the court which issued the writ of execution 10 per cent of the debt, and assumes in writing the obligation to pay a further 10 per cent of the debt at the end of one year and the remainder in installments of 10 per cent every six months thereafter. If the stay is issued, and the debtor fails to pay an installment, the sale shall be automatic. This law applies to all debts of whatsoever nature with a fixed due date incurred before January 1, 1931, and to extensions of such debts. If the public sale has been concluded, but not yet approved by the appropriate court, the debtor may avail himself of the provisions of this law. In such cases, the purchaser's deposit shall be returned. Debtors shall have the right to repurchase, at the sale price, during one year from the entry into force of this law, their real estate and buildings lost through forced sale after January 1, 1929, provided the third party acquired rights to this property before March 1, 1932, and the original owner fulfills the obligations laid down." (Official Gazette, April 16, 1932.)

CANADA

Manitoba

Manitoba. An act to facilitate the adjustment of debts. April 9, 1931.

This act provides for the appointment of a debt adjustment commissioner to bring about a settlement between any person personally engaged in farming operations or the owner of a house which he occupies as his home and his creditors. He has the power to suspend any proceedings in the nature of suits for debt, sale, foreclosure or seizure. The act is to remain in force until April first, 1933.

Winslow, Rollin R. Manitoba's rural credit losses. Winnipeg, May 7, 1928, 1 p. (Consular Rpt. 54162-279233. Files F. F. Finance, Canada.)

"A rural credit commission has been appointed to investigate an indebtedness of about \$2,000,000 owing the Manitoba Government under its system of rural credits. It is generally believed that a large portion of this indebtedness will have to be written off. The commission is to be known as the 'Debt Adjustment Board'."

Ontario

Fuller, George G. Doubtful status of provincial farm loans. Kingston, Mar. 1, 1932, 3 p. Typewritten. (Consular Rpt. 88540-41314. Files F.F. Finance, Canada.)

"Ontario has several farm loan schemes, but the only active one is conducted by the Ontario Agricultural Development Board which has been making 6% amortization loans to farmers since 1922, payable over a period of 23 or 32 years... The losses suffered by the Province cannot be determined as no financial account has been published... The Board reports that during the past fiscal year only half of the amounts due were paid on time. Although only 10% was two years overdue in 1931, extensions have been numerous since that time. It has been necessary to announce a moratorium and the Board will not foreclose any mortgage at the present time. Banks are thus relieved by the Government of the need of carrying these frozen loans."

Ontario. Mortgagors' and purchasers' relief act, 1932. Ch. 49. An act to give further power to courts with respect to the recovery of money secured by mortgage and similar matters. Assented to March 4th, 1932.

Forbids proceedings of foreclosure or sale for the recovery of principal money secured by a mortgage on land except by leave of a judge granted upon application and on certain conditions. Subject to the operation of an Order-in-Council this act shall have effect as from February 1, 1932 and shall remain in force until the expiration of 30 days from the close of the next session of the legislature.

A similar act was passed on Apr. 8, 1914 and amended in 1916, 1917, 1918, 1919, 1920.

Saskatchewan

Cram, Paul H. The adjustment of debts. Regina, Sept. 2, 1925, 7 p. Type-written. (Consular Rpt. 183077-25805. Files F.F. Agricultural Relief, Canada.)

Contains an account of the work of the Debt Adjustment Bureau created in 1921 by the government of Saskatchewan and its results.

Cram, Paul H. Adjustment of farmer-debts. Regina, Apr. 27, 1926, 2 p. Type-written. (Consular Rpt. 207876-33053. Files F.F. Agricultural Relief, Canada.)

"The marked improvement in the general economic conditions of this province is reflected in the work of the Debt Adjustment Bureau. Compared with the 1924-25 records of the bureau, the number of new cases handled this season show a reduction of about fifty per cent." Some statistics of cases are given.

Saskatchewan. An act to amend and consolidate the debt adjustment act. April 13, 1932.

This act provides for the appointment of a debt adjustment commissioner to bring about an agreement between any resident (including those engaged in or the principal part of whose income is derived from farming operations) and his creditors to provide for the settlement of the resident's debts, either in full or by a composition. He may issue a certificate to stop all proceedings in the nature of execution, sale, or foreclosure of any real or personal property. He can then notify the creditors and no transfer or sale or deal of any kind will be valid

unless he agrees to it. Provisions are made for the protection of creditors. This act is to remain in force until April first, 1934. It supercedes the Debt Adjustment Act of 1931 which was substituted for the Debt Adjustment Act of 1930.

CANARY ISLANDS

Greenup, Julian C. Moratory tax regulations for Fuerteventura. Las Palmas, Oct. 17, 1925, 1 p. Typewritten. (Consular Rpt., Excerpt 27492. Files F.F. Finance, Canary Islands.)

"Upon application of the farmers of the drought-stricken island Fuerteventura the Madrid government has released them for an indefinite period from the payment of over-due taxes."

EGYPT

Egypt. Décret-loi no. 54 de 1930 accordant un délai pour le paiement des loyers agricoles.

Grants a moratorium of one year for the payment of 20% of the agricultural rents due for the year Sept. 1, 1929 - Aug. 31, 1930 on land rented for normal cotton cultivation. This law was published in the Journal Officiel, no. 111, Dec. 4, 1930.

Egypt. Loi no. 103 de 1931 concernant les loyers agricoles de l'année 1929-1930

Provides that rent for land used for normal cotton cultivation during the agricultural year 1929/30 cannot be collected in excess of 80% of the sum due. This law was published in the Journal Officiel, no. 78, July 30, 1931. It was not submitted to the Legislative Assembly of the Mixed Court of Appeals, and consequently its provisions are not applicable to foreigners.

Egypt. Décret-loi no. 110 de 1931 accordant un délai pour le paiement des loyers agricoles.

Grants a moratorium of one year for the payment of 30% of the rents due for land rented for normal cotton cultivation for the year Sept. 1, 1930 - Aug. 31, 1931. This law was published in the Journal Officiel, no. 90, Sept. 10, 1931.

Egypt. Loi no. 32 de 1932 portant réduction des loyers agricoles pour l'année 1930-1931.

Provides that rent for land used for normal cotton cultivation during the agricultural year 1930/31 cannot be collected in excess of 70% of the sum due. This law was published in the Journal Officiel no. 59, July 11, 1932.

Jardine, W. M. Agricultural relief measures of the Government. Cairo, May 19, 1932, 8 p., 2 enclosures. (Despatch no. 488. Files F.F. 90657. Agricultural Relief, Egypt.)

Contains a translation of an agreement made by the Government with the Crédit Foncier, providing that the latter grant a moratorium to mortgagees under certain conditions. "Debtors owing the yearly payment of 1931 only can pay the interest on that payment only if they further pay the interest on the 1932 payment within the first six months of 1933, the bank will grant them facilities corresponding to the postponement of their debts for a period of two years... Debtors of the 1930 payment can also avail themselves of the same facilities if they can settle that payment before the end of the current year and so be on the same footing as debtors of the 1931 payments."

Jarine, W. M. Despatch no. 337, Cairo, Nov. 10, 1931, 7 p. Typewritten. 5 enclosures. Files F.F. 86685, Land, Egypt.

It is pointed out that the decision of the Egyptian Government to intervene to prevent forced sales of land in deserving cases was subjected to so much criticism that the character of the intervention had to be modified and the realization of the original objective failed. The measures which the Government originally intended to take are set forth in an enclosed translation. Other enclosures contain discussions of the situation.

FINLAND

Bouchal, John L. Moratorium for Finnish farmers. Helsingfors, May 21, 1932, 3 p. Typewritten. (Consular Rpt. 90511. Files F.F. Finance, Finland.)

Finnish law no. 137 of May 10, 1932 grants to farmers whose position is intrinsically sound the right to apply for a postponement of certain payments. They must show that they will be able to pay their debts eventually if granted such a moratorium. Application for postponement of debt payments should be made to the Governor of the province through the appropriate authorities of the farmer's district, and must be accompanied by a detailed statement of the applicant's financial condition. The application is submitted to the appropriate distraint officer who will call a meeting of the creditors at the expense of the debtor and then forward the minutes of the meeting and his own statement to the Governor who will grant a postponement if it is decided that the applicant can pay his debts on the expiration of the moratorium. Postponement may not be granted beyond November 1, 1933. The moratorium law does not apply to taxes; foreign debts; insurance premiums; wages and salaries; pension paid from real estate and subsistence to wife or children; compensation payable by the debtor on account of criminal acts; debts due directly to the purchase of necessary articles or consumption goods unless their cost has been unpaid for three months prior to the date on which the law became effective; interest on debts and amortization on loans the amortization period of which is at least fifteen years; unpaid price of real estate if it has been stipulated in the deed of sale that it must be paid at a specified time and if such debt is demanded from that real estate property which has been collateral for the debt; debts contracted after the passing of the law.

GERMANY

Verordnung des Reichspräsidenten zur behebung finanzieller, wirtschaftlicher und sozialer notstände. Vom 26. Juli 1930. (In Reichsgesetzblatt, t. 1, no. 31, July 27, 1930, p. 311-331.)

An emergency decree outlining certain types of relief measures to be undertaken and providing for steps preliminary to the funding of farm indebtedness in the Eastern provinces of Germany.

A decree of August 8, 1930 extended the area to which farm relief applies to include the parts of Posen and Western Prussia retained by Germany after the War, certain districts of Pomerania, Brandenburg and Lower Silesia, the states of Mecklenburg-Schwerin and Mecklenburg-Strelitz, and the province of Upper Silesia.

A decree of August 14, 1930 established an Eastern Relief Office (Oststelle) to handle matters connected with debt funding.

Gesetz über hilfsmassnahmen für die notleidenden gebiete des Ostens (Osthilfegesetz). Vom 31. März 1931. (In Reichsgesetzblatt, t. 1, no. 14, Apr. 8, 1931, p. 117-122)

The Osthilfegesetz of March 31, 1931 provides for the refunding or conversion of agricultural indebtedness in certain sections of Eastern Germany. A sum of at least 500 million marks is to be provided by the Bank for Industrial Obligations made available by the receipts from fees to be collected for the fiscal years 1931 to 1936. The Minister of Finance is authorized to pledge to the bank for the loan a total amount of 850 million marks equally with the State Governments provided that their liability in each case is limited to one fourth of the amount of the loan. He is authorized to join with the State Governments in guaranteeing up to 250 million marks for the repayment of debts. Redemption certificates may be issued not to exceed one hundred million marks and must be redeemed by the end of the fiscal year 1938. They may be used only in commercial dealings of cooperatives, savings banks, etc. The annual payments of the debtors must not surpass $4\frac{1}{2}\%$ of the debt repayment loan during the first 5 years and $5\frac{1}{2}\%$ thereafter. If the payments by debtors are not sufficient to cover current expenses, the difference will be paid by the Reich. Unless granted a higher rate of interest by the Government the bank will receive one per cent on all such loans. Annual payments received from debtors are expected to redeem the loans in 33 years. Debtors are liable to the extent of 10% of the debt repayment loan for any loss that may occur in the total repayment of the loan provided that the annual disbursement of any debtor shall not exceed $1\frac{1}{2}\%$ of the individual conversion loan. Funds necessary for the protection of farms may be granted as loans or as subsidies for various operations which are specified. The Reich budget is to carry an appropriation of 50 million marks for the promotion of land settlement during the fiscal years 1932 to 1936.

Erlass des Reichspräsidenten über die bestellung eines Reichskommissars für die osthilfe. Vom 5. November 1931. (In Reichsgesetzblatt, t. 1, no. 73, Nov. 7, 1931, p. 665.)

Places the work of the relief scheme provided for by the law of March 31, 1931 in the hands of a Federal Commissioner.

Verordnung des Reichspräsidenten zur sicherung der ernte und der landwirtschaftlichen entschuldung im Osthilfegebiet. Vom 17. November 1931. (In Reichsgesetzblatt, t. 1, no. 75, Nov. 20, 1931, p. 675-679.)

Agriculturists in the eastern relief area who are unable to meet their liabilities are granted the right to apply for the institution of safeguarding proceedings (Sicherungsverfahren) to ensure the cultivation and harvesting of the next year's crops. A creditor who has a lawful interest in the preservation of the debtor's establishment may also make such application. This right is not granted in cases in which debt-funding proceedings have already been carried through or are pending, when bankruptcy proceedings have already been begun or when the financial status of the agriculturist does not warrant the expectation of a successful outcome of the "safeguarding procedure." During the operation of the latter no warrant of attachment may be served or application made for bankruptcy or composition proceedings. The funds required to carry on the work on the farm during the operation of the "safeguarding procedure" are to be provided by the Bank for Industrial Obligations unless they can be obtained from other sources. They will be repaid from the proceeds of the next year's crop. Wages, living expenses, property insurance charges, public assessments, interest on foreign loans and all expenditures incurred in the upkeep of the establishment and the cultivation of crops take precedence over interest payments. By a debt-funding plan subject to the approval of the proper authorities, payments may be suspended, arrears of interest cancelled, the principal reduced to half the total amount, and the interest reduced to 4-1/2% with regard to personal credits and loans covered by second and third mortgages, with the exception of those given by agricultural credit institutions.

Verordnung des Reichspräsidenten zur beschleunigten durchführung der landwirtschaftlichen entschuldung im Osthilfegebiet (Entschuldungs Verordnung). Vom 6. Februar 1932. (In Reichsgesetzblatt, t. 1, no. 9, Feb. 8, 1932, p. 59-60.)

Requires agricultural creditors to accept in payment of short-term floating indebtedness debt-funding bonds (Entschuldungsbriefe) to be issued by the Rentenbank up to the amount of 500 million marks. These will bear interest at 4-1/2% and will be based upon the general security of additional mortgages to be placed on the farms. The principal security, however, will be receipts from the so-called "industrial fee" to be turned over by the Reich for redemption of the bonds, of which 300 million will fall due in 1935 and the balance in 1938. The law provides also for an additional 100 million marks in cash for the same purpose, 70 million to be obtained from 1932 income from the "industrial fee" and 30 million from the 1933 income from the same source. The Reichsbank will discount to the amount of 100 million marks bills covered by these bonds, and will lend up to 40-50% of the nominal value on an additional 100 million marks of the bonds.

Gordon, George A. Presidential decree in execution of Government's agrarian program. Berlin, Oct. 1, 1932, 3p. Typewritten. (Consular Rpt. 54764, Files F.F. Agriculture, Germany.)

Calls attention to 2 presidential decrees of September 27, 1932, published in Reichsgesetzblatt, t. 1, no. 65, Sept. 30, 1932. One of these decrees concerns "agrarian mediation procedure, protection against execution, and protection of tenants." It provides for the appointment by the district court of an official mediator to sponsor and supervise the carrying out of an adjustment between debtors and creditors. These mediation proceedings arrest bankruptcy proceedings and with certain exceptions, injunctions and mortgage foreclosures. Foreclosure is to be halted in case of heavy losses due to storms or an extraordinary drop in prices of agricultural products since 1930. Tenants whose rents are in arrears due to present conditions may not be dispossessed.

The second decree reduces by 2% interest due on mortgages for the period from Oct. 1, 1932 to Sept. 30, 1934. Agreements reached previous to the promulgation of the decree renouncing the benefits of future legal restrictions of interest rate are declared null and void. The principal of the loan is increased by the amount of the interest reduction.

Germany's measures for relief of agriculture through compulsory reduction of interest rates. (In Commercial and Financial Chronicle, v. 135, no. 3510, Oct. 1, 1932, p. 2252-2253.)

In a Berlin cablegram, Sept. 26, to the New York Journal of Commerce it was stated that the German Government had announced on that day new measures for the relief of agriculture through compulsory reduction of interest rates paid by farm debtors. The cablegram went on to say: "It has decreed that interest on agricultural mortgage obligations shall be reduced by 2%, except that such a cut shall not bring the rate down below 4%. The interest which will not be paid is to be added to the principal of the obligations, but repayment is not required until after the maturity of the obligation. Thus where gradual repayment of a [10-year?] mortgage over a 10% period is provided, the amount of the reduction in interest is payable after the 10-year period. No interest is allowed on this sum. The Government will give special aid to those financial institutions in which agricultural mortgages constitute more than 10% of the portfolio. This will apply to mortgage banks and cooperative farm financing bodies. This will permit interest paid on farm mortgage bank bonds to be left alone. On the other hand, savings banks, insurance companies and individual creditors will have to carry the burden of the new arrangement alone."

Germany. Import quotas - interest reduction - employment. (In Economist (London), v. 115, no. 4649, Oct. 1, 1932, p. 592-594.)

A communication of Sept. 27, 1932 from Berlin states:

"Herr von Braun, the Food Minister, has announced, in a speech to the Bavarian Agricultural Council, the long-awaited agricultural programme of the Government, which consists of quota limitation of imports of agricultural products, and a reduction of the rate of

interest on agricultural debts. In both the Government has endeavoured to limit the concessions to agriculture in such a way as to avoid unduly harmful effects on the rest of the community, but parts of their programme are none the less questionable from the standpoint of the general economic interest.

"In the other relief measure, the reduction of interest, a repetition of the compulsory conversion undertaken by the Brüning Government last December has been avoided. The rates of interest on all securities are unchanged, but the interest on mortgages owed by farmers is reduced by 2 per cent. They are not, however, to be reduced below 4 per cent. (most mortgages bear $6\frac{1}{2}$ per cent. at present). The reduction is not to be final and is made in the first place for two years, though the possibility of a prolongation is hinted at. The sum saved is to be repaid towards the redemption of the mortgage. In order to prevent the credit institutions, which must maintain the service of their mortgage bonds, from becoming involved in difficulties, the Reich will make good, by the issue of Treasury bonds, the losses of those of them whose mortgages consist to the extent of over 10 per cent. of farmers' debts. The interest lost by the 'Landschaften,' the co-operative real estate credit institutions of the large landowners, which are already in a very difficult position, will also be made good by the Reich. The total mortgage debt of German agriculture amounts to Rm. 7,000 millions, so that the annual saving in interest amounts to Rm. 140 millions. The creditors are almost exclusively Germans...

"The protection of farmers against compulsory sale of their property and the special provisions for facilitating agreements between agricultural debtors and their creditors, which are due to expire shortly, are prolonged, and in addition the conditions upon which protection against distraint may be claimed, and a composition with the majority of the creditors be put into effect, are made less exacting."

Hoefding, W. Interest reduction on farmers' mortgage debts. Berlin, Oct. 5, 1932, 8 p. Typewritten. (Commerce Rpt. 83-159600. Files F.F. Finance, Germany.)

The Verordnung des Reichspräsidenten über die Zinserleichterung für den landwirtschaftlichen Realkredit. 27. Sept., 1932 in Reichsgesetzblatt, Teil 1, no. 65, 1932, provides for a reduction of 2 per cent on all mortgages owed by farmers, the interest rate not to be reduced below 4 per cent. The prevailing rate will now be $4\frac{1}{2}$ per cent. The reduction is to be effective for a period of 2 years from October 1, 1932. "The interest saved by the farmers during these two years can be added to the principal of the mortgage debt and will become due at the end of the amortization period. No interest, simple or compound, can be charged on those deferred payments." Interest payable on mortgage bonds remains unchanged so that creditors will have to bear the loss from the postponement of the payment of the 2 per cent interest for 2 years and that of the interest on postponed amounts. "The Federal Government has, however, agreed to assist the mortgage credit banks for part of these losses where agricultural mortgages with the respective bank make out more than 10 per cent of the total

outstanding mortgages." Foreign mortgages are for the most part exempt from the interest reduction. "The saving resulting from the present decree is estimated at 140 million marks. Considering that the total deficit of all German farmers during the current year was recently estimated by the Federal Food Ministry at 1,200,000,000 marks, it is difficult to see how this measure can have a decisive influence in relieving the precarious financial position of German agriculture." Provision for the redemption of treasury notes given by the Government to banks holding farm mortgages exceeding 10 per cent of their total mortgage holdings will be made in the Government budgets for the years 1935-1937. These notes may be rediscounted in the meanwhile by the Reichsbank. "The total amount of treasury bonds that the Federal Government will have to issue in this connection is estimated roughly at 120 million marks."

Gray, C. W. Important farm relief legislation in Germany. Berlin, Oct. 24, 1932, 10 p. and enclosures. Typewritten. (Consular Rpt. 55771-93138. Files F.F. Legislation, Germany.)

Supplements report of October 1, 1932 and contains copies and free translations or summaries of decrees of September 22 and 27, 1932.

Verordnung des Reichspräsidenten über landwirtschaftliches Vermittlungsverfahren, Vollstreckungsschutz und Pächterschutz vom 27. September 1932. Provides for the institution of mediation proceedings to bring about adjustment of farmers' debts. Such proceedings may be refused in 10 specified instances and suspended in 6 specified cases. These mediation proceedings are similar to the safeguarding proceedings applied in the Eastern Provinces by the decree of November 17, 1931, but in this instance they are applicable to the whole country. The advantages and disadvantages of the mediation proceedings are pointed out. The same decree protects against eviction of tenants whose rents are in arrears.

The decree of Sept. 27, 1932 reducing the interest rate on mortgages is also briefly discussed.

Federau, Fritz. Gegenwartsfragen im deutschen landwirtschaftlichen kreditwesen. Umschuldung, kreditkontrolle und bäuerliche wirtschaftsberatung. Potsdam, Max Schröder, [1929?] 68 p.

A discussion of the problem of farm debt conversion in Germany.- p.7-32.

Ritter, Kurt. Die krise der deutschen agrarpolitik. Berlin, P. Parey, 1931. 46 p. (Agrarpolitische Aufsätze und Vorträge, Heft. 17.)

Contains a section on the agricultural problem of the Eastern provinces and the measures taken to relieve the situation which the author describes as a step in the dark.- p. 21-31.

Krüger. Der deutsche Osten und die osthilfe. (In Landwirtschaftliche Jahrbücher, Bd. 75, Heft. 4, 1932, p. [467]-497.)

A discussion of the serious agricultural situation in Eastern Germany and the measures taken for its relief.

HUNGARY

Schoenfeld, Rudolf E. Despatch no. 96, Budapest, May 9, 1931, 6 p. and 2 enclosures. Typewritten. Files F.F. 22960, Legislation, Hungary.

Contains a copy and a translation of Hungarian Law No. VIII, of April 20, 1931, which provides for "the granting of State assistance to indebted landowners in the adjustment of liens on agrarian property and for the flotation of land relief bonds... If the holders of liens on agrarian property were at this time rigidly to enforce their legal rights this would lead to the dispossession of a large number of farmers and to the forced sale of large amounts of farm property for which no market exists." The law grants powers of adjustment of farm debts to a national committee composed of economic experts. Should a satisfactory arrangement be arrived at, the claims of the creditors will be satisfied by a book credit and eventually by bonds guaranteed by the Government. In either case the claims will bear interest at the rate of 6.5% per annum and will be amortizable in 30 years. In some cases the principal may be reduced when creditors can not hope to receive anything from the proceeds of a forced sale. "The booking of the credits and the emission of the bonds, respectively, will be centralized in the Hungarian Financial Syndicate... To it will be transferred all the mortgages which have served as security for the debts involved in friendly settlements. These mortgages will serve as special cover for the book credits or bonds given the creditors by the Hungarian Financial Syndicate."

Tuck, S. Pinkney. Despatch no. 155, Budapest, Aug. 18, 1931, 2 p. and enclosure. Typewritten. Files F.F. 29051, Legislation, Hungary.

Contains a translation of Cabinet Decree no. 4580 of August 14, 1931 which grants extensions of the time limits set in the law of April 20, 1931 for the execution of forced sales of agrarian property and for the effecting of friendly settlements between indebted landowners and their creditors.

Osborne, John Ball. The farmers' moratorium. Budapest, Aug. 2, 1932, 11 p. Typewritten. (Consular Rpt. 91859. Files F.F., Finance, Hungary.)

A decree of the Hungarian Government, dated July 8, 1932, and published in the Official Gazette of July 9, 1932, provides for a debt moratorium for owners of cultivated land and vineyards until Oct. 31, 1932. It applies also to a landowner's house in a village which is occupied exclusively by him and his family and to land, in connection with that used for agriculture and viticulture, which is employed for gardening or forestry; to farmers having an income from other sources than farming provided the income from farming exceeds one-half of the total income; and to persons earning their living mostly by agricultural labor and who own a house in a village which is occupied only by their own family. The decree applies to those farmers the amount of whose mortgage on July 1, 1932 was twenty times greater than their net cadaster income or whose cadaster income per yoke exceeds an average of

15 crowns, if the mortgage exceeds 300 pengö per cadaster yoke, and to laborers owning a family home, if the mortgage exceeds six times the amount on the basis of which the house tax was assessed.

After the coming into effect of the decree the farmer must satisfy certain requirements, which are listed, with regard to payment of interest and amortization. In judgments against farmers who are entitled to avail themselves of the benefits of this decree the date for payment cannot be earlier than November first, 1932. If the creditor has filed suit after June 15, 1932, and the farmer has made the payment for amortization and interest at the latest on September first, the latter can not be obliged to bear the cost of the suit. The same is the case if the debtor has made the payment for amortization and interest after the first of September, 1932, but before the suit was filed. In case of the nonpayment of interest or amortization, trials must be postponed to a date after September first, unless they were originally fixed for a day after August 16, in which case they can only be postponed if the debtor proves that he has satisfied the preliminary conditions described. In case of a bill of exchange coming due between July 9 and September first, 1932, the debtor is exempted from payment of expenses if he renews the bill of exchange at the latest on the first week day after its maturity. Certain restrictions on attachment proceedings are provided. The decree does not apply to the following debts: taxes and other public dues (but no auction can be held before October 31 even in case of these debts); fees of a notary public in connection with the settling of estates of deceased persons; debts contracted after March 31, 1932; amounts due for alimony or annuities in arrears for not more than half a year; house rents and leases of farms; claims secured by legal lien or claims for credits granted for purposes of production to farmers in accordance with the stipulations of existing ministerial decrees; premiums payable on hail and fire insurance policies; debts arising from service contracts; debts of a contractor of work against his sub-contractors; commissions and expenses of physicians, lawyers, engineers, mediators, and agents; debts for purchase of movable goods and of heavy machinery if the farmer refuses to issue a bill for the remainder of the debts; obligations to deliver money from a fortune of a third person in the management of the farmer; debts deriving from nonfulfilment of a contract; debts deriving from criminal acts or damage caused by negligence; claims for the delivery of movables. An auction of agricultural land held within 15 days prior to the coming into effect of the present decree or up to July 15th can be cancelled if the income of the management of the sequestrator before September first suffices for the interest, payment of amortization, taxes, and the expenses of the sequestration.

The decree was received with much dissatisfaction by traders and manufacturers.

INDIA

Pantulu, V. Ramadas. The problem of liquidating agricultural indebtedness.

(In Madras Journal of Co-operation, v. 23, no. 4, Oct., 1931, p.207-214.)

Measures suggested for the liquidation of rural indebtedness in India include "(a) replacement of usurious debt by loans on reasonable terms; (b) moratorium; (c) conciliation or adjustment; (d) simple rural insolvency law; (e) regulation of money-lending; (f) legislation to protect the agriculturist against himself; (g) temporary relief to debtors... An easy solution that readily suggests itself is a moratorium... At best it is a temporary remedy... The Legislative Assembly was of opinion that it could not be resorted to without throwing out of gear the whole credit system. Extension of time for payment may mitigate the hardships caused by the present acute economic depression, but cannot save the debtors from the ruin that stares them in the face at the prospect of having to pay the debt some day."

ITALY

Italie. Les mesures gouvernementales en faveur de l'agriculture. (In Société d'Études et d'Informations Économiques, Bulletin Quotidien, 12. année, no. 136, June 19, 1931, p. C. 1-2.)

In addition to the measures relating to the proportion of domestic flour to be used in mulling and the provisions of wheat for the army and navy, the Italian Government has adopted a measure to provide for large credits to be available to safeguard the farmer from being obliged to sell his crop at any price obtainable. The money will be borrowed under conditions advantageous to the borrower who will be given time to obtain a remunerative price for his products.

Italy. Cereal growers in Puglie (Apulia) favored by easy terms in debt repayment. Marseille, July 30, 1931, 2 p. Typewritten. (Rpt. of Agricultural Commissioner. 224. Files F.F. Agricultural Relief, Nielsen.)

Attention is called to a decree law no. 896 of June 12, 1931, published in Gazzetta Ufficiale of July 18, 1931, p. 3603, which authorizes the agricultural credit branch of the Bank of Naples to arrange with cereal growers in Apulia for repayment of debts due on June 30, 1931 on Government loans. Farmers who offer proper security may arrange to pay the amount due in equal annual installments extending over a period of 20 years.

Bauer, Walter. Italy. Readjustment of agricultural indebtedness. Marseille, Oct. 11, 1932, 7 p. (Agricultural Rpt. 4353. Files F.F. Nielsen.)

Attention is called to the measures taken by the Italian Government to relieve farmers' indebtedness estimated at about 10 billion lire, more than half of which consists of mortgages. It was necessary for the Government to arrange for new repayable loans and in addition to provide up to 656 million lire as subsidies. The funds for readjusting agricultural indebtedness by granting new credits are made available by savings banks or other banking institutions that carry on agricultural credit operations, or by the issue of mortgage bonds (cartelle fondiaria) at a rate of interest fixed by the Government first at 6 per cent and

then at 5 per cent effective October 1, 1932. Three steps are distinguished in the Government's efforts to readjust agricultural indebtedness. I. A decree-law of July 24, 1930 makes provision for special mortgage credits to be granted to farmers or consortia that have contracted debts for the execution of improvements during the period from January 1, 1922 to December 31, 1928 "on onerous conditions." The new mortgage credits are repayable in 25 years. In addition a subsidy is granted sufficient to reduce the amount to be repaid annually by the farmer for amortization and interest to a maximum of 7.5 per cent of the total mortgage debt; i.e., if the farmer had to pay for amortization and interest a sum equal to 9 per cent of the debt involved, the Government would pay for him as a subsidy a sum equal to 1.5 per cent. A decree-law of September 24, 1931 makes the 7.5 per cent of the total debt include, besides amortization and interest, other expenses in connection with the transaction, such as commission fees and treasury dues. "The Government contribution is also granted in connection with the original debts, provided that the still remaining period of duration from the date of publication of the decree-law of July 24, 1930 onward does not exceed 25 years and that the interest rate charged for these debts does not exceed 6.5 per cent. Debts which had an interest rate exceeding 6.5 per cent must either be converted into the new mortgage credits or a new interest rate not exceeding 6.5 must be agreed upon." A decree-law of July 22, 1932 limits the contribution of the Government to repayments of amortization and interest to a sum not greater than that which would have to be paid in case of the conversion of the original debt into a new mortgage at 6.5 per cent interest. II. A decree-law of October 1, 1930 provides for the prolongation for a year of the repayment period for crop-year credits. A decree-law of May 15, 1931 provides for the repayment in 5 annual installments of crop-year credits pending on April 15, 1931, the five-year period to begin with July 1, 1931. Beginning with July 1, 1931; the Government pays 3.15 per cent of the interest charged for the prolonged loans such interest being charged on the total debt existing on July 1 of each year. Still more lenient conditions are granted to the Ferrara farmer. In addition extraordinary contributions are to be made to the interest on the farmers' debts in certain meritorious cases. Decree-laws of September 24, 1931 and July 22, 1932 provide funds for the payment of these extraordinary contributions which theoretically may cover the total amount of interest due. III. A decree-law of September 17, 1932 provides that farmers who had made no payments on their mortgage credits for a maximum period of two years up to September 29, 1932 may have the period of repayment prolonged. They may repay the total amount including interest in 20 semi-annual installments beginning on January 1, 1935. The number of installments will be reduced in case the period of ten years exceeds the original date of expiration of the mortgage.

JAPAN

Japan to help small farmers by debt delay. (In Christian Science Monitor, v. 24, no. 163, June 7, 1932, p. 1.)

A radio message from Tokyo states that "the movement for a moratorium for small farmers is gaining momentum... The petitions Committee of the Lower House of the Diet has approved the petition of farmers of 13 prefectures demanding a moratorium on debts for three years, a Government fertilizer subsidy of 60,000,000 yen, about \$19,500,000, and an additional subsidy of 50,000,000 yen to finance the emigration of peasants to Manchuria. The Upper House viewing the program favorably, early legislation is probable."

Japanese farmers call on Government for prompt relief. (In Christian Science Monitor, v. 24, no. 164, June 8, 1932, p. 1.)

A radio message from Tokyo states that "a delegation of the Farmer Labor Proletarian Party visited the Minister of Agriculture petitioning a five-year moratorium on farm debts, taxes and rents, an arrangement for unsecured loans, free fertilizers and compensation for losses of fishermen and silk raisers. The delegates recalled that the Government repeatedly helped capitalists with moratoriums and subsidies while agriculture was still the basis of national wealth.

"Japan sees farm relief agitation grow into demands that threaten serious political consequences. Members of the Diet ask that it grant the farmers a five-year moratorium on debts, taxes and rents, provide them with free fertilizer, and compensate the silk raisers and fishermen for their losses."

Japan. La détresse rurale et l'aide du gouvernement. (In Société d'Études et d'Informations Économiques. Bulletin Quotidien, 13. année, no. 178-179, Aug. 11-12, p. C. 1-4.)

An account of agricultural distress in Japan is followed by the statement that a debt moratorium for the farmer was discussed and abandoned as impossible. The most that can be done is to reduce by one half the arrears of previous debts and the rate of interest of new loans to agriculture. Even this measure is rather late when most farmers have no food in more than 12 departments out of 46.

Japanese Diet ends session without acting on bill to ease farm debts - relief outlay small - \$138,998,000 voted to aid needy - measure for stabilization of rice price passed. (In Commercial and Financial Chronicle, v. 135, no. 3507, Sept. 10, 1932, p. 1747.)

Advices to the New York Times under date of September 4 report that the farm debt adjustment bill was dropped after the Diet had been held in session in an attempt to reach a compromise. Many of the Seiyukai members of the Diet had promised a debt moratorium of several years. Farm organizations have demanded such a moratorium.

LATVIA

Puchowsky, Roman. Latvian agriculture: Riga, May 6, 1932, 26 p. Typewritten. (Consular Rpt. 47557. Files F.F. Land, Latvia.)

After discussing the distribution of land in Latvia under the Land Act of 1920 the author states that "a great amount of money was needed by farmers to settle payments for restoration of their ruined farms. Funds were also needed for land granted by the Government from the Land Pool. Irrespective of the very low price granted to peasants (on the average 12.00 lats per hectare) they were not able to pay for it at once, and the Government, through the State Land Bank, assisted farmers to overcome their payment difficulties in granting short and long term loans." A list of the amounts granted in loans by the State Land Bank from 1922 to 1931 is given. "Very easy terms of payment were granted by the State Land Bank. For the settlement of loans granted for purchase of land and for redemption of payments, a 41 year term was granted at the rate of 4.1 per cent annually; for settlement of other loans, the rate is 5 to 6 per cent annually and the term of payment is upon agreement. Taking into consideration the economic difficulties prevailing in agriculture, the Government in 1931 granted a moratorium to all debts payable by farmers."

NETHERLANDS

Foster, Carol H. New law for relief of Dutch farm tenants. Rotterdam, Aug. 23, 1932, 7 p. Typewritten. (Consular Rpt. 92305. Files F.F. Legislation, Netherlands.)

The Dutch Crisis Farm Lease Act of June 17, 1932, which went into effect on July 1, 1932, makes provision for the relief of farmers who have defaulted in their rent because of the existing crisis. A farmer who rented his farm before January 1, 1932 and who cannot meet his rent because of the prevailing exceptional circumstances, may petition the district judge for a complete or partial remission of the payment within fourteen days after it becomes due. The payment is postponed pending the judge's decision. An attempt is made to bring about an agreement between lessor and lessee, failing which both are required to appear before the Chamber for Crisis Farm Lease Affairs of the district court. The Chamber consists of the district judge and two agricultural experts appointed by the government. If the Chamber decides that a payment already made should be reduced it fixes the date before which the refund must be made. The provisions of the act apply to all rent money due after February 12, 1932, even if it had already been paid. "Since the enactment of the Crisis Farm Lease Act the District Courts have been overwhelmed with petitions for reduction of rent money... It is understood that up till now... most cases had to be referred to the Chambers for Crisis Farm Lease Affairs for decision... So far no decisions of the 'Chambers' have been published. It is understood that in the cases where an agreement was reached before the District Judge the lessees have been allowed reductions ranging from 15% to 30% of the original rent." The act is expected to remain in force only until the passing of the present depression or until January 1, 1936, when a bill will be introduced proposing its cancellation.

Swenson, Laurits S. The agricultural rent moratorium. The Hague, June 22, 1932, 2 p. Typewritten. (Consular Rpt. 91283-50179. Files F.F. Agricultural Relief, Netherlands.)

The bill to provide a farm debt moratorium became law on June 17, 1932. "Other examples of legislation in favor of special groups are to be seen in the recently enacted shipping subvention and the Government assistance rendered to the dairy and cattle industry as well as to poultry breeders. In the latter case the Government undertakes to pay the storage charges on eggs until autumn in the hope of higher prices, while advancing a minimum price to the grower immediately. Similar aid is promised pig breeders in a bill recently introduced by the Government which would subsidize the Netherlands breeder with the proceeds of a tax on the home consumption of pork and provide for a potential premium on exports."

NEW ZEALAND

New Zealand. An act to confer jurisdiction to grant relief to mortgagors in certain cases. No. 3, Apr. 17, 1931.

This act came into force on March 18, 1931 and is to continue in force until December 31, 1932 or an earlier date if so appointed. It entitles the mortgagor to receive notice before powers of sale or other rights are exercised against him by the mortgagee, even though it be the Crown, and empowers the courts in certain cases to grant him a respite.

New Zealand. An act to amend the mortgagors relief act, 1931, No. 47, Nov. 11, 1931.

The duration of the principal act is extended to December 31, 1933 and its application is extended to include mortgages executed during the interval between the commencement of the act and its passing (between March 18, 1931 and April 17, 1931). The powers of the Court to grant relief are extended. It may postpone the date of payment of principal or interest, reduce the rate of interest, or remit part or the whole of arrears of interest.

New Zealand. The Government's plan - Relief to mortgagors and tenants. (In Round Table, no. 88, Sept., 1932, p. 915-919.)

"The Mortgagors and Tenants Relief Act extended the relief given to mortgagors under the Mortgagors Relief Act, 1931. It also authorized the Court to grant relief to lessees by way of reduction or remission of rent, the lessor, pending its decision, being prevented from selling the property or exercising the right of re-entry. The relief that the Court can give in respect of mortgages of farming lands was extended to all mortgages. In the case of table mortgages, the Court was empowered to extend the term, and to postpone the date of payment of principal and interest... Provision was made for the automatic reference by the Court of all applications for relief to an adjustment commission for investigation unless the parties agree to accept the decision of the Court without such reference."

Part III of the National Expenditure Adjustment Act "makes a compulsory reduction of 20 per cent in interest on all mortgages (including agreements for sale and purchase of land and company debentures but not mortgages on demand), and in all rents, accruing - in each case - on or after April 1, 1932, and before April 1, 1935. This reduction applies only to contracts in force at the passing of the act (May 10)... The net rate is not to be reduced below 6-1/2 per cent in the case of mortgages of chattels, nor below 5 per cent in that of other mortgages. No ground rent will be reduced below 5 per cent per annum of the unimproved value appearing in the district valuation roll on April 1, 1932."

POLAND

Perkins, C. Warwick. Recent Polish legislation concerning agricultural indebtedness. Warsaw, Sept. 21, 1932, 9 p. Typewritten. (Consular Rpt. 92914. Files F.F. Legislation, Poland.)

Attention is called to a series of decree laws passed early in 1932 to ease the debt burden of the Polish farmer. The decree of February 25, 1932 increased the difficulty of forced sales of property and established a minimum price below which no sale can take place. The decree of March 12, 1932 permits the sale of a portion of a mortgaged piece of real estate to meet the pressing debts of the owner, provided the sales value of the property is sufficient to cover the indebtedness secured on it. A third decree suspends until August 15, 1933 the payment of taxes on agricultural property which were in arrears on October 1, 1931, and offers considerable reductions on payments made before the first mentioned date.

Four new decrees are published in the Journal of Laws of August 23, 1932. Of these the most important is a decree (Text 652) which establishes a system of court supervision and suspension of payments for farmers who are not hopelessly insolvent. A debt moratorium may be recommended by one of a corps of "delegates" appointed by the Minister of Finance, and granted by the district court with which a mortgage on the farm is registered or in whose territory the farm is situated. Until a final decision has been reached the court may enjoin the sale or mortgaging of real estate and movable property belonging to the debtor. A debt moratorium will not be granted in cases in which it would cause excessive hardship to the creditors or when the farmer has brought on his condition of insolvency by criminal or reckless acts. The decree is not applicable to obligations assumed after the suspension of payments has been granted, costs of preventive procedure, state and commercial taxes and fees, including court fees, cost of labor hire, social or fire insurance, alimony, debts secured by pledging movable property, instalments due on long-term credits, certain debts secured by real estate, debts incurred after December 1, 1931 for goods used for farming purposes, current lease payments, objects or legal titles exempted in case of bankruptcy. The moratorium may be granted for one economic year to enable the crops to be harvested and sold. If the court's decision is

made during the second half of the economic year the term of the moratorium may be extended to include the following economic year. The second part of the decree deals with the procedure for settling the suspended debts.

A second decree provides for the designation of Chambers of Agriculture or similar agricultural organizations to act as arbitrators in the adjustment of the financial affairs of persons "whose principal occupation is the pursuit of agriculture on an area of not more than 50 hectares." These offices are given power to determine the ability of the debtor to pay, to draw up a plan for meeting his obligations over a period of three years, and to fix the interest rate he will have to pay. Unless and until a minimum rate is fixed by the Ministers of Finance and Justice, all payments may be reduced to 9 per cent per annum. Certain debts are excluded.

A third decree gives the district land offices authority to apportion mortgage indebtedness between a portion of a farm property sold under the terms of the decree of March 12, 1932 and the portion retained, in the event that the debtor is unable to reach an agreement on the subject with his creditors.

The fourth decree amends the Presidential Decree of June 29, 1932, which prescribed a legal maximum interest rate of 24 per cent, by eliminating this fixed rate and authorizing the Minister of Finance to establish maximum rates by way of decrees.

"The combined effect of these measures is the institution of a practical moratorium on a very large volume of agricultural indebtedness; and in the course of time they will also result in an extensive reduction of interest rates ... apart from its significance with respect to the general business and credit situation in Poland, the Government's policy concerning agricultural indebtedness is of particular interest to American exporters because of its reaction on the trade in agricultural implements and other farm equipment. Most of the implement firms have a large volume of outstanding accounts which have now been completely frozen, and in consequence their own ability to pay has been seriously impaired."

PORTUGAL

Bauer, Walter. Portugal. Government aid to agriculture. Marseille, Oct. 18, 1932, 14 p. Typewritten. (Agricultural Rpt. 4463. Files F.F. Agricultural Relief, Nielsen.)

"A decree of August 22, 1928, prolonged the repayment period of short term credits for covering the running expenses during the crop year given to ... credit cooperatives by the Government from 2 years (which already includes an authorized prolongation for one year) to 3 years. As a rule, these credits ought to be repaid after one year. This indicates the bad financial situation of the small and medium-sized farmers who are the main clients of the cooperative credit banks and perhaps also an insufficiency of credits previously placed at their disposal. An attempt to consolidate accumulated debts from

short term credits and convert them into long term credits with an extended amortization period or to refund the mortgage debt, has not been made, as far as can be ascertained. But, in all probability, the Government will have to arrange this sooner or later."

RUMANIA

Hill, Kenneth M. The Rumanian agricultural conversion law. Bucharest, Apr. 25, 1932, 10 p. Typewritten.. (Commerce Report 150914. Files F.F. Legislation, Rumania.)

"The bill for the conversion of agricultural and viticultural debts, which the Rumanian Government presented to Parliament in October, 1931, has finally been passed. Its passage was marked by an unusual spirit of cooperation on the part of all political parties and by the most intense opposition on the part of banking and business organizations which will bear the brunt of the losses resulting from the scaling down of the peasants' debts... The debts of agriculturists owning ten hectares or less shall be reduced by 50% and shall be legally convertible from the promulgation of the present law into liabilities to be amortised over a period of 30 years at an interest rate of 4% per annum. The above land must represent at least 30% of the total fortune of the debtor after his debts have been reduced by 50%, this percentage also covering accumulated interest. The period of 30 years is binding for the creditor but is left optional for the debtor who may settle his liabilities in a shorter time if he desires. Debts of agriculturists owning from 5 to 10 hectares or debts of truck gardeners or florists owning from 1 to 10 hectares will be reduced by only 25% instead of 50% in case the money is owed to a Cooperative Credit Institution or to an Agricultural Credit Bank. Creditors... have the right to demand foreclosure only for the installment due them during the current year... The converted debts are guaranteed by a mortgage on the real estate of the debtor, effective from the day the petition requesting the conversion has been filed with the court. The debtor benefiting from the conversion law is obliged to cultivate his land in accordance with the regulations established by the Ministry of Agriculture. Debtors whose liabilities do not exceed 300 lei per hectare - or 600 lei per hectare in the case of debts toward Cooperative Credit Institutions - are not entitled to benefit from the conversion law... Agriculturists owning land in excess of 10 hectares may benefit from the reduction of their debts indicated below, provided a minimum of 60% of their debts were concluded for the purpose of obtaining land, increasing their inventory, of effecting agricultural constructions and improvements, plantations, irrigations, dams, of covering agricultural losses, of insuring a minimum standard of life, as well as debts contracted by 'force majeure' causes and debts concluded for operating expenses, capital, and interest up to December 18, 1931. Debtors owning less than 10 hectares of land who have not benefited from the legal conversion [already] mentioned may take advantage of the present provisions. Owners of forests exploited for commercial or industrial purposes are not entitled to the advantages mentioned below. The

category of debtors mentioned in this chapter may benefit from the reduction of their liabilities in accordance with the following scale:

10%	for debts concluded during 1931,	capital, interest and accessories
20%	" " " " 1930,	" " " "
30%	" " " " 1929,	" " " "
40%	" " " " 1928,	" " " "
50%	" " " " 1927,	" " " "

Debtors must file their request for conversion with the local tribunal within 60 days from the promulgation of the present law, giving full details as to their liabilities and declaring that they undertake to pay within 6 months from the decision of the tribunal a quota of at least 10% of their reduced liabilities, the balance being paid within 2 years... Agriculturists entering within the scope of the present law may demand the 'judiciary conversion', offering to pay a minimum of 60% of their total liabilities, capital, interest, and accessories within a period to be established by the tribunal in accordance with the capacity of payment of the debtor and by means of annual installments representing at least 50% of the net income of the debtor... The debtor must file the request for the 'judiciary conversion' within 2 months from the promulgation of the present law, giving full details as to his assets and liabilities and offering a plan for settling his debts over a period which must not exceed 30 years." Other general provisions of the law are outlined.

Premier Maniu of Roumania offers conversion plan. Proposes holiday on forced sales for Rumanian farm debts. (In Commercial and Financial Chronicle, v. 135, no. 3508, Sept. 17, 1932, p. 1913.)

A Bucharest telegram of Sept. 14 is quoted from the New York Times. "A new solution of the question of the conversion of agrarian debts is offered in a bill drafted by former Premier Maniu. It will be submitted to Parliament tomorrow, having been approved by the members of the expert financial commission of the League of Nations. Former Minister of Finance Argetoianu's bill is to be suspended. For six months all forced sales for agricultural debts are to be forbidden, the debtors paying between 4 and 5% interest. Any payments made during this period are to be credited with double value. The prohibition of forced sales is to be forbidden for 12 months more where the property consists of less than 10 hectares (24.7 acres). In consideration of this banks whose 40% of bill portfolios consist of agricultural bills will be relieved from repaying deposits for the 18 months except as directed by the National Bank. The Government hopes that during this 'closed season for debtors' financial help will arrive from abroad to enable the debt conversion to be effected."

Roumania. Agricultural conversion - finance - exchange - stock market. (In Economist (London), v. 115, no. 4649, Oct. 1, 1932, p. 594-595.)

A communication of Sept. 15, 1932 from Bucharest states:

"One of the first tasks of the newly-elected Parliament was to be the revision of the Agricultural Conversion and Judicial Liquidation Acts, but after a month of parliamentary activity nothing is yet accomplished. There are serious differences of opinion in the ranks of the Government party and in the Cabinet itself on these problems. The latest

formula which is submitted to the direction of the Government party for consideration preparatory to its introduction into Parliament as an amendment to the Agricultural Conversion Act provides an agricultural debt moratorium of eighteen months in order to give time for financial arrangements without which the measure cannot be carried through and also to give opportunity to the debtors and creditors to come to a settlement by direct negotiation."

TRINIDAD AND TOBAGO

Trinidad and Tobago. Mortgages Extension Ordinance, 1922. No. 1, 1922. An ordinance to postpone the payment of the principal sum secured by mortgages and other encumbrances on plantations. [9th December, 1921] Passed in Council Jan. 15, 1922. Assented to by Governor Jan. 18, 1922.

Provides for a moratorium on plantation mortgages from the commencement of this ordinance on December 9, 1921 until June 30, 1923 except under certain specified conditions. The Mortgages Extension Ordinance, 1921 is repealed.

UNION OF SOUTH AFRICA

Ackerson, Garret G. jr. Farmers' special relief bill. Despatch no. 127. Cape Town, February 9, 1931, p. 4-15. Typewritten. Files F.F. 79334-17824, Legislation, Union of South Africa.

Contains an account of some of the parliamentary discussion on the bill to provide for loans to farmers to meet pressing liabilities which later became law. One argument against it was "that the Government must not lose sight of the fact that a very effective moratorium was at present in existence which was working entirely in the interest of the farming community and that the banks were holding extended credits probably running into £5,000,000... The proposed payment of £5,000,000 would inevitably cause a stampede among the creditors and, consequently, the moratorium would go. For the benefit of getting their debts reduced from £20,000,000 to £15,000,000 the farmers would have to pay £300,000 per annum in interest. They would have no assets left and would be no better off."

Union of South Africa. Act to provide for loans to certain farmers for the purpose of meeting pressing liabilities and for matters incidental thereto. No. 4, Feb. 25, 1931.

Provides for the creation of a board to grant loans to any person making application before March 31, 1932 who has carried on farming operations in the Union as his sole or principal means of livelihood for a period of not less than 12 months immediately preceding January 1, 1931, who is of good character, and who owes any justifiable debt which he has no reasonable means of paying.

Land and agricultural bank of South Africa, Pretoria. Report, 1912-1931. Cape Town and Pretoria, 1913-1932.

Report for 1915: "A new position has been created by the extraordinary conditions now prevailing, and the Central Board was obligated to modify its attitude [in regard to granting] debtors extension of time wherein to pay interest and installments on their advances... It was thought necessary, as a matter of equity, to follow the lead given by Parliament in passing the Moratorium Act [of 1914] to prevent forced realization under bonds and contracts entered into prior to the 4th August, 1914. It was felt that special consideration should be given to those debtors who were unable to meet their obligation to the Bank on due date, because of the altered conditions, but it was imperative that such consideration should only operate in such a manner that the educative effect of the sound practice which has been established with infinite pains during the past years should be undisturbed... Extension of time has been granted in a number of instances, on condition that interest at the rate of 5 per cent per annum be paid on the arrears, and in no case has action been taken against a defaulting debtor who was able to show that his case deserved special consideration."

Report for 1930: "It has been found possible during the year to reduce the rate of interest on advances made on sole security of mortgage of land from 6 per cent to 5-1/2 per cent per annum. The Board has also decided in special cases to grant these advances on such conditions as to allow an initial period of one or two years during which interest only is payable, redemption commencing after the end of the first or second year. Both these measures have afforded considerable relief to farmers."

Moratorium demand. General Hertzog rejects request. (In African World, v. 120, no. 1556, Sept. 3, 1932, p. 209.)

A paragraph dated Sept. 1 from "The Times" Pretoria states:

"The Prime Minister to-day opened a conference of economists, bankers, commercial and industrial representatives, and official nominees summoned by the Government to consider the relations of debtors and creditors.

"This is the sequel to a widespread demand, particularly by farmers, for a moratorium, which General Hertzog has now emphatically rejected. He declared that if the corner was not yet turned, at any rate the depression had reached rock bottom, and the problem of the conference was to devise machinery to tide over the interim period until prosperity returned. He desired to prevent honest debtors falling into the hands of unscrupulous creditors, and to institute co-operation to revive confidence. He denounced the requests for a moratorium and for reduced interest rates as foolish, but said that immediate relief for debtors was necessary, and it would be better if it came by agreement rather than through Government pressure."

YUGOSLAVIA

Calnan, J. L. Law providing for protection of agriculturists in regard to the granting of loans on real and personal property. Belgrade, Apr. 22,

1932, 6 p. Typewritten. (Consular Rpt. 89870. Files F.F. Legislation, Yugoslavia.)

Contains a translation of a law signed by the King of Yugoslavia on April 19, 1932 and published in the Official Journal on April 20, 1932, which forbids the compulsory sale of farmers' real or personal estates until the promulgation of a law governing the conversion of farmers' debts or at the latest until six months from the date on which the present law becomes effective. It also regulates the interest which can be charged on loans made on real and personal property and indicates the procedure to be followed in case a bank finds difficulty in making payments caused by excessive withdrawal of deposits. The term farmer applies to all persons who cultivate their land alone or with the help of members of their family and whose taxable income is chiefly derived from agriculture, provided their land does not exceed an area of 75 hectares of cultivated land or 150 hectares in the case of family unions. It also applies to those who for some valid reason are obliged to cultivate their land with outside help.